



Annual Report

2009 / 2010

Message from the Chairman

It has been an honour to have been involved with the Cure4CF cause in the past few years, and a privilege to be the founding Chairman of the Cure4CF Foundation. Much thought and work was done behind the scenes with the inception and formation of the Foundation, and we have established a solid base for great things to be achieved in the future.

The board held its inaugural board meeting and planning day in November 2009, and I was amazed by the energy in the room. It told me that we had found the right mix of talent, skills, expertise and passion for finding a cure for CF. I would like to personally thank each director and our Company Secretary for their contribution in the last year.

There are many challenges faced by a founding board of directors, and my board's task was not made easier by the challenging economic circumstances of a global financial crisis that were being grappled with by all charities.

However, what has emerged from this was vindication of our original belief that we should remain a low cost charity where our donors could rely upon the fact that their hard earned money was going directly to the cause. The Foundation runs its operations very leanly with tremendous volunteer support to keep our costs at a minimum, so that we maximise the amount going to find a cure for CF. That is why we are here.

Which brings me to our volunteers. On behalf of the Board, I would like to sincerely thank our loyal and dedicated volunteers. Without their support, hard work, commitment and passion for the cause, we could not have achieved the things we set out to do in the last year.

I would also like to take this opportunity to thank all of our supporters, partners and donors. Our relationship with each of you is tremendously valued and important.

A key highlight this year was the commencement in February of work on the new respiratory centre at the Women's and Children's Hospital. This is an exciting development for the CF community, and one of which we are very proud.

The year ahead is one of great possibility for us. We hope that more and more people will connect with the Foundation, and in particular, that the general community and business will support us in our goals and hopes for the new respiratory centre.

We look forward to sharing the next stage of the journey with you.

Emma Drew

Chairman

Cure4CF Foundation Limited

Message from the Research Team

Over the last year, research development in our gene transfer approach to curing CF airway disease has advanced considerably.

Two papers describing our gene transfer results in mice have appeared in the Journal of Gene Medicine.

One describes successful life-long gene transfer in mouse nasal airways after only a single gene transfer process; and for the first time demonstrates our ability to produce functional expression of the CFTR gene, correcting the CF airway gene defect for over 12 months. No other research group worldwide has achieved such extended gene expression.

The second publication shows how these methods are transferable to mouse lung and sheep lung airways, while revealing the need for much greater production capacity for the gene vector agent. An additional publication in Respiratory Research has confirmed the usefulness of our current pre-treatment method, after studying the effect of variants of that technique on gene transfer.

Our parallel developments using synchrotron X-rays have also progressed well. Directed towards producing a rapid, accurate and novel method to detect if a treatment has been successful in mouse airways, two publications related to this effort have appeared in the Journal of Synchrotron Radiation.

Finally, in recent studies, we have transferred and completed initial validation of the synchrotron X-ray imaging techniques (developed in studies in Japan over the last 5 years) on the almost-completed Medical Imaging Beamline at the new Australian Synchrotron in Clayton, Victoria.

In other news, we were delighted when sign-off occurred for construction of the new 250 m² CF Gene Therapy Research Laboratory within the new upper floor of the Gilbert building on the WCH campus. This exciting development began in 2006 with a \$0.5 million donation from the late Allan Scott AO OAM. The laboratory is integrated into The Breathing Space, an entirely new Department of Respiratory and Sleep Medicine that is designed to provide state of the art integrated services for all children with respiratory health issues, including CF.

Looking forward, we will continue our developments and the testing of the safety and effectiveness of our gene transfer methods. Presenting them for the constructive critiques available at National and International conferences will help us to improve and expand our methods.

The synchrotron airway imaging is entering an exciting phase with some innovative new approaches under active consideration, and the Australian Synchrotron coming fully online for our particular imaging needs.

Although nothing is ever certain in medical research, we expect that progress will continue strongly towards the clear and single goal – a cure for CF airway disease.

Dr. David Parsons PhD

Director, Cure4CF Foundation Limited

Chief Medical Scientist, Department of Respiratory and Sleep Medicine

Dr Greg Smith MB.BS

Director, Cure4CF Foundation Limited

Senior Staff Specialist, Clinical Director of CF Research, Department of Pulmonary
Medicine

Acknowledgements

Pro bono service providers

The Foundation sincerely thanks the following service providers for the pro bono services and contributions they have provided throughout the year:

- asp Application Service Provider - web site hosting and internet service provider
- Deloitte - taxation advice
- Denis Smith Photography - photography for web site and promotional materials
- Freer Parker & Associates - auditor
- MessageMark - web site, branding and promotional materials
- Mojomo Insurance Brokers Pty. Ltd. - insurance broker
- Singapore Airlines - transport of laboratory testing equipment and supplies

Climbing Rose wine supporters

The Foundation sincerely thanks the following companies for their involvement in our Climbing Rose wine. Sales of our red and white wine make a significant contribution to the Foundation's fundraising activities.

- Amcor Closures
- Amcor Glass
- Collotype Labels
- Fosters Wine Estates
- Portavin Integrated Wine Services
- Visyboard

**CURE4CF FOUNDATION LIMITED ABN 71 136 956 137
(A COMPANY LIMITED BY GUARANTEE)**

DIRECTORS' REPORT

Your directors present this report on Cure4CF Foundation Limited (the 'entity') for the financial year ended 30 June 2010.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Ms Emma Drew
Dr David Parsons
Dr Gregory Smith
Mr John Winckel
Mr David Coluccio
Mr Gregory Oke

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

The following person held the position of entity secretary at the end of the financial year:

Ms Lija Proske LLB / LP (Hons), B.App.Sc (SpPath), ACIS, was appointed Company Secretary on 26 May 2009.

Principal Activities

The principal activity of the entity during the financial year was to promote the control of cystic fibrosis in children and adults in Australia. No significant changes in the nature of the entity's activity occurred during the financial year.

Operating Results

The profit of the entity amounted to: \$119,712 (2009: \$38,861).

Dividends Paid or Recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends or distributions has been made.

Review of Operations

Profit was principally derived from corporate and personal donations, sale of the entity's exclusive wine, Climbing Rose, and the Adelaide Hills Tarmac Rally fundraising event.

Significant Changes in State of Affairs

No significant changes in the entity's state of affairs occurred during the financial year.

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After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

Future Developments

The entity expects to maintain the present status and level of operations and hence there are no likely developments in the entity's operations.

Environmental Issues

The entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth of a state or territory.

Options

No options over issued or unissued shares or interests in the entity were granted during or since the end of the financial year and there are no options outstanding at the date of this report.

No shares or interests were issued during or since the end of the financial year as a result of the exercise of an option over unissued shares or options.

Information on Directors and Company Secretary

Ms Emma Drew:

Qualifications:

Experience

Chairman (non-executive)

LLB (Hons), B.Ec., GDLP, GAICD

Appointed chairman on 26 May 2009

Dr David Parsons

Qualifications:

Experience

Director

B.Sc., B.Sc. (Hons), PhD

Appointed director on 26 May 2009

Dr Gregory Smith

Qualifications:

Experience

Director

MB. BS., Dip. Obst., FRACP

Appointed director on 26 May 2009

Mr John Winckel

Qualifications:

Experience

Director

Dip. Ind. Chem

Appointed director on 26 May 2009

Mr David Coluccio

Qualifications:

Experience

Director

B.A., M.A. (Int. STA)

Appointed director on 26 May 2009

Mr Gregory Oke

Qualifications:

Experience

Director

B. App Sc., MBA, MCIPS

Appointed director on 26 May 2009

Ms Lija Proske

Qualifications:

Company Secretary

LLB/LP (Hons), B.App.Sc (SpPath), ACIS

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Meetings of Directors

During the financial year 3 meetings of directors were held. Attendances by each director were as follows:

	Directors Meetings	
	No. eligible to attend	No. attended
Ms Emma Drew	3	3
Dr David Parson	3	3
Dr Gregory Smith	3	3
Mr John Winckel	3	3
Mr David Coluccio	3	3
Mr Gregory Oke	3	3

Indemnifying Officers or Auditor

The Constitution of the entity provides for every officer of the entity to be indemnified against any liability incurred by that person as an officer of the entity, and for reasonable legal costs incurred in defending an action for a liability incurred by that person as an officer of the entity.

Insurance premiums have been paid to QBE Insurance for Associations Liability Insurance and Public Liability Insurance for the financial year.

No indemnities have been given during or since the end of the financial year, for any person who is or has been an auditor of the entity.

Proceedings on Behalf of the Entity

No person has applied for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings.

The entity was not a party to any such proceedings during the year.

Auditor's Independence Declaration

The lead auditor's independence declaration as required under section 307 of the *Corporations Act* 2001 for the year ended 30 June 2010 has been received and is attached to the directors' report.

Signed in accordance with a resolution of the Board of Directors.



EMMA DREW Director

Dated this 7th day of October 2010

CURE4CF FOUNDATION LIMITED

ABN 71 136 956 137

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS
ACT 2001 TO THE DIRECTORS OF
CURE4CF FOUNDATION LIMITED**

I declare that to the best of my knowledge and belief, during the year ended 30 June 2010 there have been:-

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Signed at Adelaide this 27 day of September 2010.



Consultant: Richard G Freer
Registered Company Auditor No 5211

C/- Freer Parker & Associates
40 Sturt Street
ADELAIDE SA 5000

CURE4CF FOUNDATION LIMITED ABN 71 136 956 137

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
Income		
Events	\$8,764	\$10,569
Climbing Rose Wine	\$6,615	\$4,500
Personal Donations	\$3,573	\$16,600
Corporate Donations	\$10,000	
Non-cash Donations	\$95,000	\$10,000
Member fees	\$69	-
Interest	\$168	-
Other	\$77	\$3
Total Income	<u>\$124,266</u>	<u>\$41,671</u>
 Expenses		
Events	\$1,807	\$1,824
Promotion materials		\$654
Administration	\$518	-
Corporate fees & insurance	\$2,151	\$330
Other	\$77	\$3
Total Expenses	<u>\$4,554</u>	<u>\$2,810</u>
 Profit before Income Tax	 \$119,712	 \$38,861
 Income Tax Expense	 -	 -
 Profit for the year	 <u>\$119,712</u>	 <u>\$38,861</u>
 Other comprehensive expense		
WCH Research Account transfer	\$9,844	-
Total comprehensive income for the year	<u>\$109,868</u>	<u>\$38,861</u>
 Profit attributable to members of the entity	 <u>\$119,712</u>	 <u>\$38,861</u>
Total comprehensive income attributable to members of the entity	<u>\$109,868</u>	<u>\$38,861</u>

The accompanying notes form part of these financial statements.

CURE4CF FOUNDATION LIMITED ABN 71 136 956 137

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
ASSETS		
Current Assets		
Cash & cash equivalents	\$43,729	\$28,861
Inventories	\$95,000	\$10,000
Other current assets		
Total Current Assets	<u>\$138,729</u>	<u>\$38,861</u>
Non-Current Assets	\$0	\$0
Property, plant & equipment	\$0	\$0
Intangible assets	\$0	\$0
Total Non-current Assets	<u>\$0</u>	<u>\$0</u>
TOTAL ASSETS	<u>\$138,729</u>	<u>\$38,861</u>
LIABILITIES		
Current Liabilities	\$0	\$0
Trade and other payables	\$0	\$0
Other	\$0	\$0
Total Current Liabilities	<u>\$0</u>	<u>\$0</u>
TOTAL LIABILITIES	<u>\$0</u>	<u>\$0</u>
NET ASSETS	<u>\$138,729</u>	<u>\$38,861</u>
EQUITY		
Retained earnings	\$138,729	\$38,861
TOTAL EQUITY	<u>\$138,729</u>	<u>\$38,861</u>

The accompanying notes form part of these financial statements.

CURE4CF FOUNDATION LIMITED ABN 71 136 956 137

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2010

	Retained Earnings \$	Total \$
Balance as at 1 July 2008	0	0
Profit attributable to the entity	<u>38,861</u>	<u>38,861</u>
Balance as at 30 June 2009	38,861	38,861
Profit attributable to the entity	109,868	109,868
Sale of wine inventory	- 10,000	- 10,000
Balance as at 30 June 2010	<u><u>138,729</u></u>	<u><u>138,729</u></u>

The accompanying notes form part of these financial statements.

CURE4CF FOUNDATION LIMITED ABN 71 136 956 137

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	29,098	31,671
Payments to suppliers	-4,554	-2,810
Transfer of funds to WCH Research Account	-9,844	0
Interest Received	168	0
Net cash generated from operating activities	<u>14,868</u>	<u>28,861</u>
 CASH FLOW FROM INVESTING ACTIVITIES		
Payment for property, plant & equipment	0	0
Payment for intangible asset	0	0
Net cash used in investing activities	<u>0</u>	<u>0</u>
 Net increase in cash held	14,868	28,861
Cash at beginning of financial year	28,861	0
 Cash at end of financial year	<u><u>43,729</u></u>	<u><u>28,861</u></u>

The accompanying notes form part of these financial statements.

CURE4CF FOUNDATION LIMITED ABN 71 136 956 137
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

The financial statements are for Cure4CF Foundation Limited as an individual entity, incorporated and domiciled in Australia. Cure4CF Limited is a not for profit company limited by guarantee.

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users who are dependent on its general purpose financial reports. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Corporations Act 2001*.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Corporations Act 2001* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of this report are as follows:

Accounting Policies

a. Revenue

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised as revenue when received.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated inclusive of the amount of goods and services tax (GST).

b. Inventories

Inventories acquired at no cost, or for nominal consideration, are valued at the current replacement cost as at the date of acquisition.

c. Property, Plant and Equipment

No property, plant or equipment was held at the end of the financial year.

d. Leases

No leases were held at the end of the financial year.

e. Financial Instruments

No financial instruments were held at the end of the financial year.

CURE4CF FOUNDATION LIMITED ABN 71 136 956 137
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

Note 1: Statement of Significant Accounting Policies (cont'd)

f. Impairment of Assets

At each reporting date, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the *Income Statement*.

Where the future economic benefits of the asset are not primarily dependent upon on the assets ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of a class of asset, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

g. Employee Benefits

There were no employees during the financial year.

h. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

i. Goods and Services Tax (GST)

Revenue and expenses are recognised inclusive of the amount of GST. Cash flows are presented in the Cash flow Statement on a gross basis.

j. Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

k. Intangibles

No intangibles were held at the end of the financial year.

l. Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

CURE4CF FOUNDATION LIMITED ABN 71 136 956 137
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

Note 1: Statement of Significant Accounting Policies (cont'd)

m. Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

n. Critical Accounting Estimates and Judgements

There are no critical accounting estimates and judgements required.

o. Economic Dependence

Cure4CF Foundation Limited is run by volunteers including the Board of Directors and other supporters. At the date of this report the Board of Directors has no reason to believe that the volunteers will not continue to support Cure4CF Foundation Limited.

p. Adoption of New and Revised Accounting Standards

During the current year the company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

CURE4CF FOUNDATION LIMITED ABN 71 136 956 137
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

Note 2: Entity Details

The registered office of the company is:

Cure4CF Foundation Limited
11 Andrew Avenue
Millswood SA 5034

The principal place of business is:

Cure4CF Foundation Limited
11 Andrew Avenue
Millswood SA 5034

Note 3: Members' Guarantee

The entity is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding and obligations of the company. At 30 June 2010 the number of members was 6.

**CURE4CF FOUNDATION LIMITED ABN 71 136 956 137
(A COMPANY LIMITED BY GUARANTEE)**

DIRECTORS' DECLARATION

The directors of the company declare that:

- A. The financial statements and notes, as attached, are in accordance with the *Corporations Act 2001*:
- i. comply with Accounting Standards and the Corporations Regulations 2001; and
 - ii. give a true and fair view of the financial position as at 30 June 2010 and the performance for the year ended on that date of the company.
- B. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors



EMMA DREW (Chairman)

Dated this 7th day of October 2010

INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
CURE4CF FOUNDATION LIMITED

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of **Cure4cf Foundation Limited**, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report.

The directors of the Company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the Corporations Act 2001 and are appropriate to meet the needs of the members. The directors' responsibility also includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting under the Corporations Act 2001. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that we have provided an independence declaration, as required by the Corporations Act 2001, to the directors of **Cure4cf Foundation Limited**.

Auditor's Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Cure4cf Foundation Limited** as at 30 June 2010 and its financial performance and cash flows for the year then ended in accordance with the Corporations Act 2001 and the Australian Accounting Standards (including Australian Accounting Interpretations) to the extent described in Note 1.



Consultant: Richard G Freer
Registered Company Auditor No 5211

C/- Freer Parker & Associates
40 Sturt Street
ADELAIDE SA 5000

Dated 27 September 2010